

**BEFORE THE  
TRADE POLICY STAFF COMMITTEE  
OFFICE OF THE  
UNITED STATES TRADE REPRESENTATIVE  
EXECUTIVE OFFICE OF THE PRESIDENT**

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In the Matter of Review of the Determination of )  
the U.S. International Trade Commission in )  
Investigation of )  
**Certain Steel Products** )  
\_\_\_\_\_ )

Investigation No. TA-201-73

**EXCLUSION REQUESTS  
of  
NTN, USA**

These Exclusion Requests in the above-entitled investigation are filed pursuant to leave granted by the Office of the United States Trade Representative (“USTR”) set forth in the Federal Register, Vol. 66. No. 208 of October 26, 2001, on behalf of NTN, USA.

NTN, USA requests that the following products be excluded from any remedy imposed by the President:

1. Bearing Quality Bar, ASTM A-534 and Special Bearing Quality Steel Bar ASTM A-535 (classifiable under HTSUS 7228.30.80.50)
2. SAE 52100 - Spherodized Annealed Wire Rod (classifiable under HTSUS 7227.90.20.30)
3. SAE 52100 Hot Rolled Wire Rod (classifiable under HTSUS 7227.90.10.30)
4. Hot Rolled Round Bar (SAE 1053 and SAE 1040) (classifiable under HTSUS 7214.99.00.30).

5. SBM40 (classifiable under HTSUS {to be provided})

Any safeguard relief recommendation which included such products would be excessive and would cause substantial economic harm to U.S. purchasers, consumers, and workers without providing any benefit to domestic producers.

II BASIS FOR EXCLUSION REQUESTS

A. Exclusions Are Warranted Under the Statute and WTO Agreement

In imposing any remedy, the Administration is limited by section 2253(e)<sup>1</sup> to actions in which the “cumulative impact of such action does not exceed the amount necessary to prevent or remedy the serious injury.”<sup>2</sup> These limitations are reflective of the WTO Agreement on Safeguards which explicitly provides that a member may “apply safeguard measures only to the extent necessary to prevent or remedy serious injury and to facilitate adjustment.”<sup>3</sup> Therefore, any remedy must be crafted to the absolute minimum amount of relief necessary to prevent injury or to facilitate positive adjustment.

Furthermore, in determining what action to take, the President is required to take into account the short- and long-term economic and social costs of the actions...relative to their short-

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<sup>1</sup> 19 U.S.C. §2252(e)(3).

<sup>2</sup> 19 U.S.C. § 2253(e)(2).

<sup>3</sup>Agreement on Safeguards, Article 4(1).

and long-term economic and social benefits....<sup>4</sup> The President must also consider the “effect of the implementation of actions under this section on consumers and on competition in domestic markets for articles.”<sup>5</sup>

**B. Specific Exclusion Requests**

NTN, USA requests that the following products be excluded from any remedy. (Any missing information will be provided as soon as possible.)

1. **Bearing Quality Bar per ASTM A-534 and Special Bearing Quality Steel Bar per ASTM A-535 (HTSUS 7228.30.80.50).**

**Description:** Chemical compositions: [

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**Basis for Exclusion:** This is a non-standard grade made to NTN, USA’s specifications and there are no U.S. producers and no acceptable substitute products available at this time. If NTN, USA were to change this grade, they would have to requalify with all customers that buy parts made with this product.

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<sup>4</sup> 19 U.S.C. §2253(a)(1)(E).

<sup>5</sup> 19 U.S.C. §2253(2)(F)(ii).

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**Producers:** NTN USA is aware of the following producer: Ovako (Sweden).

**Total U.S Consumption:** Ovako shipped [ ] NTN, USA is unaware of any other producers of this special grade, either in the U.S. or abroad.

**Total U.S. Production:** This is a non-standard grade made to NTN's specifications. There are no U.S. producers of this grade.

**Substitute Products:** The domestic sources of supply for similar bar are unable to adequately supply NTN, USA's needs. NTN, USA has attempted to buy this product from domestic sources. However, these sources have been unable to satisfy NTN USA's requirements. [ ]

2. **SAE 52100 - Spherodized Annealed Wire Rod (HTSUS 7227.90.20.30)**

**Description:** See attached specifications. This product is used in the production of steel balls.

**Basis for Exclusion:** There are no mills in the United States that produce this product. Even if a few U.S. producers claim to be able to produce such bearing steel wire rod with sufficient quality, they would not be able to produce sufficient quantity to satisfy U.S. demand. U.S. companies have

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not been able to produce such bearing steel due to the oxygen control and non-metarc inclusion requirements

**Producers:** Daido (Japan), Kobe (Japan), Sumitomo (Japan), Sanyo (Japan), Nippon (Japan), Lucchini (Spain).

**Total U.S. Consumption of the Product:** As an individual company, NTN, USA does not have sufficient information to estimate total U.S. consumption of this product.

**U.S. Production:** There is no U.S. production in the required qualities. RTI may be producing some low quality bearing steel wire rod, but they do not meet the quality requirements of NTN, USA or of most U.S. consumers of the product. Timken produces billets for bearing quality and have a rolling mill to produce wire rod. However, this wire rod is for Timken's internal use only.

**Substitute Products:** NTN, USA is not aware of any substitute products.

### 3. SAE 52100 - Hot Rolled Wire Rod (HTSUS 7227.90.10.30)

**Description:** See attached specification. This product is used in the manufacture of steel balls.

**Basis for Exclusion:** There are no mills in the United States that produce this product. Even if a few U.S. producers claim to be able to produce such bearing steel wire rod with sufficient quality, they would not be able to produce sufficient quantity to satisfy U.S. demand. U.S. companies have not been able to produce such bearing steel due to the oxygen control and non-metarc inclusion requirements

**Producers:** Daido (Japan), Kobe (Japan), Sumitomo (Japan), Sanyo (Japan), Nippon (Japan), Lucchini (Spain).

**Total U.S. Consumption of the Product:** As an individual company, NTN, USA does not have sufficient information to estimate total U.S. consumption of this product.

**U.S. Production:** There is no U.S. production in the required qualities. RTI may be producing some low quality bearing steel wire rod, but they do not meet the quality requirements of NTN, USA or of most U.S. consumers of the product. Timken produces bullets for bearing quality and have a rolling mill produce wire rod. However, this wire rod is for Timken's internal use only.

**Substitute Products:** NTN, USA is not aware of any substitute products.

**4. Hot Rolled Round Bar (SAE 1053 and SAE 1040)**

**Description:** See attached specifications. SAE 1053 is used to make forgings. SAE 1040 is used for constant velocity joint shafts.

**Basis for Exclusion:** The specification for this product is generally developed between customers and suppliers. U.S. producers cannot produce the product in the quality required by NTN, USA and other U.S. consumers.

**Producers:** {Additional information will be provided as soon as possible}

**Total U.S. Consumption of the Product:** As an individual company, NTN, USA does not have sufficient information to estimate total U.S. consumption of this product.

**U.S. Production:** There is no U.S. production in the required qualities. RTI, Northstar, Inland, Timken, and Macsteel do produce some Hot Rolled Round Bar, but not in the required qualities.

**Substitute Products:** NTN, USA is not aware of any substitute products.

**5. SBM40**

**Description:** See attached specifications.

**Basis for Exclusion:** To NTN USA's knowledge, there is no U.S. production of this product.

**Producers:** {Additional information will be provided as it becomes available}

**Total U.S. Consumption:** As an individual company, NTN, USA does not have sufficient information to estimate total U.S. consumption of this product.

**U.S. Production:** To NTN USA's knowledge, there is no U.S. production of this product.

**Substitutes:** There are no substitute products. U.S. producers do not make products to the required specifications.

**III. CONCLUSION**

For the above stated reasons, NTN requests that the Administration exclude the above-referenced products from any remedy imposed by the President following the receipt of recommendations from the U.S. International Trade Commission in Investigation TA-201-73 .

Respectfully submitted,

By: \_\_\_\_\_

**BARNES, RICHARDSON & COLBURN**

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**ATTACHMENT A**



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**CANNOT BE PUBLICLY SUMMARIZED**